

**HEADQUARTERS,  
US ARMY, NORTH ATLANTIC TREATY  
ORGANIZATION'S (HQ USANATO'S)  
FISCAL YEAR 2004 (FY04)  
ANNUAL STATEMENT  
OF ASSURANCE**

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**DEPARTMENT OF THE ARMY**  
UNITED STATES ARMY NORTH ATLANTIC TREATY ORGANIZATION  
Unit 21420  
APO AE 09705-1420

REPLY TO  
ATTENTION OF

ACRM-MG

9 August 2004

MEMORANDUM FOR Assistant Secretary of the Army, (Financial Management & Comptroller), ATTN: SAFM-FOI, 109 Army Pentagon, Washington, DC 20310-0109

SUBJECT: Fiscal Year 2004 (FY04) Annual Statement of Assurance (ASA) on Management Controls

1. Headquarters, United States Army, North Atlantic Treaty Organization (HQ USANATO) has evaluated its system of internal administrative controls in effect during FY04 in accordance with the Federal Manager's Financial Integrity Act (FMFIA). Based on that review, as the Deputy Commanding General (Senior Responsible Official) of HQ USANATO, I am providing a "qualified" statement. I believe that USANATO has the controls in place necessary to provide reasonable assurance that it can execute its mission effectively and that its critical assets are protected, with the exception of the material weaknesses reported.

2. This assurance, as specified in the Federal Manager's Financial Integrity Act (FMFIA), validates that:

- a. Obligations and costs are in compliance with applicable laws.
- b. Funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or by misappropriation.
- c. Revenues and expenditures applicable to USANATO operations are properly recorded and accounted for to permit the preparation of reliable accounting, financial, and statistical reports, and maintain accountability over the assets.
- d. Programs, administrative, and operating functions are efficiently and effectively carried out in accordance with applicable laws and management policies.
- e. The management control process within USANATO emphasizes prevention of waste, fraud, and mismanagement and stresses timely correction of material weaknesses.

3. The USANATO leadership continued to apply direct and persistent management attention to accomplish the requirements of the FMFIA. Our command continued to promote management controls through increased awareness and training. Automation and web-based technologies have played a significant role in promoting a robust management control process within USANATO.

4. Tab A, "How the Assessment Was Conducted," is a synopsis of activities conducted by the USANATO staff in support of the management control process. Tab A-1 provides the basis for my determination of reasonable assurance that management controls within USANATO's Assessable Units are working as intended. Tab A-2 provides a summary of leadership efforts in support of our management control process as well as numerous initiatives carried out in order to strengthen the effective application of management controls and to improve stewardship of command's resources. Tab A-2 also lists new initiatives related to training and training statistics during FY04.

5. Tab A-3, "Management Control Program and Related Accomplishments," lists HQ USANATO's accomplishments and describes in detail the benefits achieved as an effect of implementing initiatives mentioned earlier. They are as follows: MCP Website Redesign, Implementation of Computer-Based Training, HQ USANATO MCA's Tool Box, Successful Deployment of USANATO Deployable Support Team (DST) to Afghanistan, Religious Support for Deployed USANATO Personnel, and Installation of Fragmentation Film on US Occupied Buildings on NATO Installation.

6. Information on USANATO's material weaknesses is included in Tab B. Tab B-1 lists new material weaknesses being reported: Lack of OSD Doctrine to Provide National Support to US Personnel Deployed on NATO Missions (MW MCP #04-001), and Lack of Government Travel Card Oversight for US Personnel on NATO Travel Orders (MW MCP #04-002). Tab B-2 provides a detailed description of the two uncorrected material weaknesses.

7. USANATO noted three management control concerns in FY04 that, while significant for inclusion in the statement, do not meet the criteria established by OMB and DoD for being reported as material weaknesses. They are as follows:

a. In our FY03 ASA, USANATO identified a concern over the separation of fiscal and command authority. The command addressed the issue with the appropriate office (the NATO Resource Support Branch (NRSB) of USAREUR), which decided that no change was necessary. Nevertheless, this area remains a concern. Related to this concern, the command has identified a material weakness associated with the current procedures for the oversight of the Government Travel Card Program, and has submitted it as "Lack of Government Travel Card Oversight for US Personnel on NATO Travel Orders."

b. An update to AR 600-8-4 was published 15 April 2004. The timelines for an informal and formal Line of Duty (LOD) investigation are outlined in Table 3-1 and Table 3-2 respectively. In accordance with Paragraph 3-8 f. (3)(e) a report of autopsy findings including blood alcohol results and toxicology studies must be lettered and attached as exhibits to DD Form 261 in a formal Line of Duty investigation. The results of this toxicology study must be determined in the continental United States and sent back to overseas commands performing LOD investigations. Our experience is that this process takes about 60 days. Table 3-2 requires that

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the investigating officer complete the investigation and send completed DD Form 261 to the appointing authority within 50 days after incident. Although paragraph 4-4 provides instructions for completing late reports, it seems to be a systemic problem for overseas commands which will reoccur for each formal LOD investigation.

c. For USANATO personnel, Antiterrorism and Force Protection responsibilities are basically divided between the local NATO installation and the local Administrative Agents (Army, Air Force, & Navy). Though Force Protection is the commander's responsibility at all times for all subordinate elements, there are limitations to what the commander can implement where the USANATO's elements are tenets on NATO installations where they are subject to the conditions established by the local NATO authorities. For example, measures such as the installation of fragmentation reduction/retention film on windows in order to provide better building security and safety to the building's occupants are coordinated with the local installation's engineering branch. However, getting NATO installation support for increasing the stand off distance from buildings, rerouting traffic, and improving fencing/lighting is much harder to do because of the difficulty in getting permission for each nation to determine their own standards. NATO Force Protection programs/authorities do not extend beyond the physical limits of the installation. Therefore, USANATO's Force Protection programs for housing areas are the commander's responsibility with support from the regional Administrative Agent. In most cases, the Administrative Agent conducts the annual Threat and Vulnerability Assessments, provides funding for Force Protection programs/initiatives and provides advice and assistance as requested. The commander completes the Risk Assessment, develops local Force Protection SOPs, conducts Force Protection training and approves the Force Protection program at each site. The local US Commander may determine that the installation antiterrorism measures are not sufficient and can raise the issue(s) with the local installation commander. However, the local commander is not obligated to submit to the request for changing/altering the NATO standard(s). In cases where there is a conflict between US Antiterrorism measures and NATO Alert State measures, the local USANATO authority will attempt to adhere to whichever standard has a higher defensive posture.

8. The HQ USANATO Inspector General and Northern Law Center (USAREUR) has reviewed this Annual Statement of Assurance, provided input as required, and attests to its validity.

9. I am committed to sound stewardship of command resources, which can be ensured with effective management controls throughout the USANATO command.

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10. Point of contact for this action is: Mrs. Grazyna M. Bremer, HQ USANATO MCA, ODCS G8, DSN: (314) 423-2323 or commercial 011-32-65-44-2323.

FOR THE COMMANDER:

Encl

  
RUSSELL L. FRUTIGER  
Brigadier General, US Army  
Deputy Commanding General

# **TAB A**

**HOW THE HEADQUARTERS,  
US ARMY, NORTH ATLANTIC TREATY  
ORGANIZATION'S (HQ USANATO'S)  
ASSESSMENT WAS CONDUCTED IN  
FISCAL YEAR 2004 (FY04)**

# **TAB A-1**

## **THE BASIS FOR REASONABLE ASSURANCE**

1. The determination of reasonable assurance is based on a general understanding of, and adherence to, the General Accounting Office (GAO) Standards for Internal Control and on a combination of ongoing actions taken to provide a reasonable level of confidence that management controls are in place and operating properly throughout all levels of the command. It is further verified by methods that are necessary to evaluate the adequacy of management controls and to decide if they are in place and operating adequately. The following is a breakout of the actions taken by all in support of the three mandatory reporting areas established by HQDA (i.e. Leadership Emphasis; Education and Training; and Program Execution).

a. Application of management control checklists required to be used this fiscal year by the command MCP Five-Year Plan.

b. Certification statements from all Assessable Units (AUs).

c. Assuring that all managers understand and practice the five GAO Standards established to sustain sound management controls in day-to-day operations.

d. Establishment of sound policies and specific actions required by regulations and other directives.

e. Overall knowledge of command operations derived from weekly staff meetings, status reports, periodic review, analysis sessions, and other forms of command oversight.

f. Actions taken to mitigate or eliminate risk as part of a command Risk Management program.

g. Assuring that the appropriate managers have specific management control responsibilities in their performance support forms to ensure an annual assessment in performing required management control duties.

h. Dissemination of management control information and procedures to managers, Assessable Unit Managers (AUM), Management Control Administrators (MCA), and other personnel in subordinate reporting units.

i. Heightened awareness and formal assignment of responsibility for the adequacy of management controls by military and civilian managers and all other personnel.

j. Encouraging USANATO managers to actively monitor the effectiveness of management controls so that early detection and correction of problems can occur before problems become material.

k. Consideration of Command Inspection Program (CIPs) visits and other independent reports or audits.

l. Performance of other management control evaluations warranted by circumstances or recommended by the HQ USANATO MCP Senior Management Council (SMC).



2. The concept of reasonable assurance was applied while assessing the functional areas. It was recognized that the cost of management controls should not exceed the expected benefits, and that these benefits consisted of reductions in the risks of failing to achieve USANATO's stated objectives. The expected benefits and related costs of management control measures were addressed using managerial judgment.

# **TAB A-2**

## **OTHER INFORMATION REQUIRED**

## **LEADERSHIP EMPHASIS:**

1. Command leaders focused on increasing awareness of management controls through improved communications, training, sharing of best practices among units, and automation of management control tools and processes. The intent was to increase awareness and strengthen management controls within the AUs.
2. The Commanding General (CG), Brigade Commander (Bde Cdr), and all AUMs issued guidance memoranda emphasizing the significance of effective management controls and sound stewardship of USANATO's limited resources. They stressed the need for identifying existing problems, taking corrective actions, and performing quality management control evaluations as the key elements of a successful program.
3. Leaders further emphasized the significance of MCP by posting eye-catching pictures and articles on unit bulletin boards. The HQ USANATO MCA collected and periodically distributed current information to AUs and encouraged them to display the information on local bulletin boards. Materials posted included HQDA/USANATO guidance, GAO Standards, articles, MCP organizational chart, MCP POC listing, etc. Some units established two bulletin boards in geographically separated work areas.
4. The Bde Cdr memorandum was posted in each G Staff area and AUM policy letters posted in their areas of control.
5. The SMC comprised of the XO, senior Brigade staff members, Command Sergeant Major, and the HQ USANATO MCA, continued to provide oversight and command emphasis to the management control process.
6. The HQ USANATO MCA:
  - a. Encouraged personnel in all training sessions, as well as in the MCP Information Paper #2, "Safeguarding the USANATO's Resources and Reporting Management Control Deficiencies and/or Material Weaknesses", to demonstrate a supportive attitude towards internal control and to maintain effective controls that safeguard our command's limited resources, especially during this time of severe fiscal constraints. All USANATO personnel were made aware of their inherent responsibility, as stewards of taxpayer financed resources, to take an active role in monitoring controls within their areas of responsibility and identifying absent or ineffective controls that may be material weaknesses. They were made aware that reporting this important information may result in fixing problems in other areas or locations throughout our command.
  - b. Encouraged supervisors to include explicit statements of management control responsibility in performance support forms of SMC members, AUMs, MCAs, commanders, managers, and individuals responsible for conducting annual evaluations. The DCS G8 provided examples of "explicit statements" for different levels of responsibility in the MCP Information Paper #1. Supervisors were made aware of their responsibility to evaluate performance against documented standards.

c. Regularly disseminated GAO reports and news-media articles highlighting breakdowns in controls in order to articulate the importance of an effective internal control system within USANATO.

d. Prepared and disseminated memoranda from the DCS G8 emphasizing the importance of properly managing and accounting for resources and guidance for submitting the annual statement of assurance.

e. Stressed the importance of effective management controls and included information on program performance in weekly staff meetings. Whenever required, briefed the Bde Cdr to ensure detection and correction of any problems.

## **EDUCATION AND TRAINING:**

1. During FY04 a variety of training was made available to USANATO personnel at all levels to include the Army MCP Course and Symposium, standard briefings, workshops, and on-site training by MCAs. The most frequently used training methods were standard group presentations and automated web-based technologies with on-line certification. On-line certification automatically provided the HQ USANATO MCA with the date, title of the training module and personal information of the individual who completed the training. Introduction of web-based training methods was aimed at preserving the command's resources. Accomplishments related to these initiatives are listed in Tab A-3.

2. The HQ USANATO MCA's innovative training approaches in FY04:

a. Initiated use of Computer-Based Training throughout the command to provide flexibility and preserve the command's resources. Approximately 36 individuals used web-based modules with on-line certification to familiarize themselves with various aspects of MCP.

b. Revised the HQ USANATO Circular 11-2, "Management Control" and embedded on-line certification at the end of the presentation. The Circular contains a comprehensive overview of the process and the way the process works in our command. It is designed to serve as an easy reference guide for AUs' program execution and contains examples of accurately completed ASAs and other required documentation. The Circular is a command-developed educational resource.

c. Revised the "MCP 101" Guide and embedded on-line certification. This guide gives a basic overview of Army MCP program and how we manage it in HQ USANATO. It provides links to related reference materials. This guide is recommended for use by newly arrived personnel. It is another command-developed educational resource.

d. Added on-line certifications to six Army modules and two command briefs.

e. Incorporated the Army MCP Steering Group (MCPSG) self-narrated module into an Officer Professional Development/Non-Commissioned Officer Professional Development (OPD/NCOPD) training session.

f. Administered "MCP 101 Knowledge" Test following MCP training sessions to increase the audience's attention. Discussed correct responses and recommended retaining the test as a quick reference guide.

g. Designed and disseminated the "USANATO MCA's Own Tool Box" CD based on the template created by the Army MCPSPG. It is a continuity tool for USANATO's MCAs that includes all management control reference materials and resources necessary for executing a successful MCP program. It is organized into nine categories including HQDA guidance, training videos, AUM/MCA Listing, ASA, Management Control Plans, Control Failure Examples, Unit Files, etc. It allows MCAs to store all documents in one organized system and in one place. This "Tool Box" was also published on the command website.

h. Marketed the Army's "Management Control Tool Box" CD developed by the ASA (FM&C) and HQDA MCPSPG for use by all Army agencies and MACOMs. The "Tool Box" is a collection of real-time documents developed by MCAs, including the HQ USANATO MCA, to accomplish their mission. It has been listed as one of four major MCP accomplishments in the FY03 ASA to the SECDEF. "HQ USANATO Circular 11-2" and "HQ USANATO MCP Training Brief" (2 of 21 Army-wide documents) were selected by HQDA MCPSPG for inclusion in this "Tool Box".

i. Trained the SRO using Army MCP briefing charts with on-line certification added this fiscal year. It was the SRO's preferred method of training as opposed to coordinating a traditional training session.

### 3. The HQ USANATO MCA:

a. Ensured that approximately 140 personnel within USANATO received some form of MCP training through August 2004. The purpose of the FY04 training campaign was to increase the understanding of the Army's MCP as a means of effective mission accomplishment within available resources and to educate personnel on the principles and practices of a successful MCP program.

b. Designed a special training presentation for 41 USANATO personnel, including the XO, SMC members, IG, and MCAs. Training focused on definitions, purpose of a MCP, USANATO requirements, roles, responsibilities, preventive steps, and tips on what to do when abuse happens. A separate section of this session was dedicated to GAO Standards for Internal Control. Before the briefing, distributed "MCP 101" Guide and Information Paper #2, "Safeguarding the USANATO's Resources and Reporting Management Control Deficiencies and/or Material Weaknesses" as a read-ahead packet to emphasize the importance of improved stewardship. Concluded training with administration of the "MCP 101 Knowledge" Test designed to increase audience's attention and to equip personnel with a basic reference guide following the formal training.

c. Tailored a special training session for the new AFSOUTH Bn AUM and MCA. Training focused on the value of evaluating performance and carrying out an effective MCP program on a

year-round basis, making military and civilian personnel, especially managers, aware of their internal control responsibilities. It reemphasized improved stewardship of the command's scarce resources, and importance of demonstrating a high level of commitment toward minimizing potential for loss and waste. (AUM and MCA were introduced to a wide variety of new training options. Recommended incorporating different MCP topics into Quarterly Training Briefs to increase exposure to MCP issues on a regular basis and promote a year-round program.)

d. Conducted informal desk-side training for two MCAs at SHAPE. Training focused on regulatory requirements, conducting evaluations, proper program documentation and procedures for submission of ASAs.

e. Referred MCAs and managers to HQDA, FORSCOM, and ARRTC MCP websites for additional sources of information. FORSCOM has posted several USANATO MCP resources on their website to provide different options to other MCAs in implementing successful programs. FORSCOM lists the HQ USANATO MCP link as one of its six selected websites.

f. Promoted articles on management control issues and special interest items relating to MCP to include Risk Management and Army Performance Improvement Criteria.

4. All AUMs, MCAs, and resource managers received training during this fiscal year. Desk-side presentations were given to the Bde Cdr and new DCS G1. Training was included as an inspection item on the MCP Command Inspection Program (CIP) checklist.

5. The command sponsored and hosted a CHRMA workshop for 17 USANATO key leaders, SMC members, AUMs, and MCAs in November 2003. The two-day, hands-on workshop provided the tools and techniques necessary to effectively administer a more robust MCP in our command. Participants learned a step-by-step process for immediate implementation and practiced evaluating, "measuring", and documenting management control effectiveness. This workshop also focused on practical solutions to help key leaders take a systematic approach to integrating risk management into an existing process. In addition, sections of this training focused on tools and techniques for conducting risk assessments and developing strategies to mitigate risk. The participants were presented templates to construct effective MCPs and develop a meaningful ASA that reflects the actual state of management controls for better decision making. As a result of risk analysis and discussions among USANATO leaders during this workshop, eight functional areas were added to the existing command plan.

6. The Command Chaplain, Brigade MCA, SHAPE Bn MCA, DCS G3 senior NCO provided internal training sessions.

7. Approximately 26 AFSOUTH Bn managers and NCOs were trained during Sergeants' Time Training using the Army multimedia computer-based MCP and GAO Standards modules.

8. Internal training sessions were provided by the command Chaplain, SHAPE Bn XO, Brigade MCA, and senior enlisted DCS G3 NCO to their respective personnel.

9. The DCS G8 attended the DoD MCP Workshop at the Professional Development Institute at the American Society of Military Comptrollers in Cleveland, OH, June 2004. Training focused on GAO Standards, Performance and Accountability Reports, methods to assess the effectiveness of management controls, prioritizing material weaknesses resolution, ASA requirements, and agencies' scorecard matrix.

10. The incoming HQ USANATO MCA attended a two-day United States Department of Agriculture's Government Audit Training Institute MCP Course and the two-day Army Annual Management Control Symposium at Ft. McCoy, WI. Marketed and posted the "Apprentice Tool Box" distributed at the Symposium on the command website. The new MCA completed six MCP training modules in addition to quickly becoming familiar with many different aspects of the program to include regulatory requirements and USANATO directives.

11. A management analyst and a budget analyst attended the Planning, Programming, Budget Systems (PPBES) course with two blocks of instruction on MCP.

12. A budget analysts completed in-house training on the Electronic Account Government Ledger System (EAGLS) and the Government Purchase Card (GPC) System. Budget analysts are now capable of resolving Government Travel Card (GTC) customer inquiries using EAGLS and also capable of completing reconciliation and payment of the GPC monthly billing statements.

13. Two Approving/Certifying Officials and six cardholders attended the GPC Training at the Brussels Regional Contracting Office. This training provided new employees the necessary knowledge to ensure appropriate execution of the program.

14. DCS G1 coordinated and hosted a CHRMA training session for HQ USANATO and SHAPE Bn military and civilian supervisors of civilian employees to introduce policies and procedures governing civilian personnel. Topics included absence and leave, time and attendance, and management of civilian labor pay through appropriate application of compensatory and overtime policies and procedures. Supervisors were made aware of the direct relationship between authorization of compensatory time and overtime and how it affects the amount of civilian pay.

15. DCS G3 initiated a series of OPD sessions in FY04 for military officers, warrant officers, and civilian officer equivalent personnel. The goal of this training was to strengthen and fortify the knowledge, values, and skills of key personnel who support soldiers and serve as their role models. Topics included: Senior Army Leaders' Meeting, Golan '73 Battle, Cuban Detention Operations, Use of Government Vehicles, Supply Accountability, Command Information Infrastructure, Travel Card, NATO Sourcing Process, Managing Diverse Cultures in NATO and Negotiation, International Security Assistance Force, and High Readiness Force.

16. Provided program leadership for Equal Employment Opportunity (EEO) as mandated by the Civil Rights Act of 1964. The USANATO Equal Opportunity Advisor (EOA) conducted Prevention of Sexual Harassment (POSH) classes in excess of the Army requirement and incorporated Sexual Misconduct Training in POSH sessions. Innovative role-playing scenarios

were followed by EOA-led discussion with audience members of the conduct and behavior they observed. The training included presentations by a Health Clinic physician, Social Work Specialist, and Military Police Investigation Officer.

17. Ethics Training sessions focused on applicability of ethics laws, principles and regulation to the military and civilian workforce and the fourteen principles of ethical conduct in Public Service.

## **PROGRAM EXECUTION:**

### **1. The HQ USANATO MCA:**

a. Continued to serve as a member of the Deputy Assistant Secretary of the Army (Financial Operations), MCPSG, MCP Operations subcommittee since the initial selection of the former MCA in FY02. The MCPSG focuses on initiatives to improve the management of the program within the Department of the Army.

b. With the SMC coordinated and actively participated in revisions to the command Five-Year Plan. The plan is reviewed as needed throughout each fiscal year based on the Management Control Evaluation Inventory provided by HQDA. The SMC evaluated 176 management control checklists in the HQDA inventory for applicability to the USANATO mission. As a result of this analysis, and on-going threat assessment, eight functional areas were added to the existing plan this fiscal year.

c. Disseminated the Five-Year Plan with FY04 ASA submission guidance to all AUMs in January 2004 to promote a living, year-round, program and to enable AUs to identify deficiencies or possible weaknesses in their operations and correct them before they became material.

d. Disseminated MCP policy guidance from DoD, HQDA, and this command to subordinate levels relative to all areas of routine program management and special requirements.

e. Provided HQDA and HQ USANATO website addresses for direct access to the evaluation inventory and other related information.

f. Provided the AUMs and functional staff with a detailed instruction package for preparation of their feeder statements, including examples of accurately completed forms and a properly completed ASA. Promoted HQ USANATO Circular 11-2 and the FY03 SECARMY ASA as guides.

g. Closely reviewed feeder reports and checklist submissions, providing guidance to correct discrepancies. Maintained close liaison with MCAs and AUMs concerning the status of their organization's input. Answered questions and provided technical assistance to AUs via telephone, e-mail, and hard copy. Provided one-on-one training on MCP program requirements and tools during Staff Assistance Visits to two AUs.



h. Instructed personnel to view the Window Media Video "Age of Accountability -- Testing Controls" to become familiar with the process before conducting management control evaluations and preparing ASA feeder statements. Trained seven MCAs and 17 evaluators using web-based modules.

i. Performed a detailed review of all feeder statements, DA Forms 11-2-R and management control evaluations. Collected all supporting documentation that verified key management controls were tested. As a result of that process two new material weaknesses were detected.

j. Stressed the importance of conducting scheduled evaluations, and maintaining proper documentation, IAW AR 11-2 and GAO Standards in preparation of the FY04 Annual Statement of Assurance. Guidance to select appropriate testing methods and to base the results of each evaluation on actual testing was issued to AUMs and MCAs. Provided HQ USANATO's link to the "Age of Accountability (Testing Controls)" training video which demonstrates the appropriate process. Requested MCAs forward it to all individuals who are responsible for conducting evaluations this fiscal year.

k. Redesigned the HQ USANATO website to improve its functional use and to provide user-friendly access to updated information. Currently, the command website with expanded content serves AUs as a one-stop resource to access pertinent information during year-round execution of their management control processes. The website provides links to ASA (FM&C), USAAA, USAREUR, GAO, DoD, Do DIG, IR, ARRTC, USAPA, and other Home Page information.

l. Continued to post updated information on the DCS G8 Public Folder to broaden the availability of MCP information.

m. Coordinated with the Department of the Navy MCA and webmaster to receive access to their MCP Self-Assessment Survey Tool. This web-based tool is designed to provide an objective "current state" measurement of the unit's MCP and show AUMs what improvement actions could be taken. This tool is based upon the GAO's Standards and Internal Control Management and Evaluation Tool.

n. Obtained the Department of the Navy's Statement of Assurance Tool. The purpose and value of this tool is to streamline the ASA collection and reporting process. It allows user-friendly access to submit updates and certification statements and it provides a mechanism to add/track accomplishments and weaknesses throughout the year. It also provides historical ASA data from previous fiscal years.

o. Continued to publicize DoD and HQDA Systemic Material Weaknesses through discussions at SMC sessions, posting information on command bulletin boards, and providing a link on the command MCP website. The Auditor General and DoD IG specifically identified DoD Systemic Material Weaknesses for general awareness, possible identification of potential problems in each command's respective areas, and taking timely preventive or corrective measures if necessary.

p. Routinely communicated MCP related matters using electronic mail within USANATO to accelerate the resolution of emerging issues affecting the execution process and to disseminate information to AUMs, MCAs, SMC members, managers, and section POCs. Topics included "Explicit Statements of Responsibility for Management Controls" policy, management control evaluations, FY04 ASA submission guidance, DA Form 11-2-R preparation, MCP slide presentations, and other topics.

q. Maintained beneficial contacts with other command/agency MCAs, to include ASA (FM&C), ASN (FM&C), FORSCOM, ARRTC, and other MACOMs, to exchange ideas and expertise and improve internal processes.

r. Revised and publicized the HQ USANATO Circular 11-2, "Management Control Process Program" and "MCP 101" Guide which outline MCP responsibilities and procedures within the Army and HQ USANATO.

s. Ensured USANATO MCP key players were formally appointed at the beginning of FY 04; updated appointment letters promptly when required by personnel changes. Updated and maintained the AUM and MCP POC listing for subordinate units and forwarded updates to HQDA.

t. Established a shared folder accessible to the Management Branch to maintain information and working documents to increase efficiency of operations within the Branch and to ensure continuity of routine taskers in case of personnel absence.

u. Installed Microsoft Visio software. The command is planning to initiate flowcharting of Material Weakness identification/reporting process in FY05 execution process.

v. Continued stressing the importance of evaluating key management controls using existing processes such as the CIP, Command Supply Discipline Program (CSDP), Physical Security Inspection program, and functional team reviews to avoid duplicating efforts.

w. Encouraged command staff/leaders to utilize the GAO "Internal Control Management and Evaluation Tool" issued to assist agencies in determining how well internal controls are designed and functioning and in improving or maintaining effective operations. Similarly, encouraged the use of the GAO "Human Capital: A Self-Assessment Checklist for Agency Leaders" and guided the leaders to conduct the assessment of their human capital practices. Stressed the value of this tool in creating "human capital organizations" that focus on valuing employees and aligning their "people policies" to support organizational performance goals. These organizations understand that the value of the organization is dependent on the value of its people.

x. Maintained a tracking database for MCP-related requirements tasked to subordinate units for submission to command level such as explicit statements in performance agreements, policy letters, ASAs, on-line training statistics, etc.

## 2. The SMC:

a. Elected to evaluate key management control evaluations for 20 functional areas more often than required by HQDA. Thirty four functional areas were scheduled for evaluation this fiscal year; 15 of these areas would not have to be evaluated according to the HQDA schedule.

b. Took an active part in the assessment of the FY04 feeder statements submitted by AUs. After reviewing the documentation, the SMC recommended which concerns, accomplishments, and material weaknesses merited inclusion in the ASA (FM&C).

3. DCS G3 coordinated the fifth USANATO sponsored Senior Army Leaders' Meeting (SALM) held in Oberammergau, Germany, from 25 – 27 February 2004. The Commanding General chaired the SALM which included five other general officers, three senior service or equivalent civilians and more than 40 others attended the SALM. There were 15 presentations from HQDA, HQ NATO, EUCOM, USAREUR, SHAPE, ISAF, USANATO elements, and the George C. Marshall Center. According to the CG, this was the most successful SALM to date.

4. DCS G6 has initiated the following actions to improve the performance within the command information management arena:

a. Upgraded all Secure Telephone Units (STU III) to Secure Telephone Equipment (STE). The new STE is used for both voice and data transmission, and to provide a connection for processing classified information.

b. After the establishment of Deployable Support Teams (DSTs), it was determined that the existing equipment would not support the mission. DCS G6 developed a list of IT equipment it deemed essential for mission success, and procured and deployed the equipment to the six DSTs (two DSTs each at SHAPE, AFNORTH, and AFSOUTH).

c. The Army initiative to have all users' Public Key Infrastructure (PKI) enabled presented many impediments, to include equipment and software. The 5<sup>th</sup> Signal Command provided the equipment. The software was provided in many different versions depending on the type of Command Access Card (CAC) reader, the type of workstation and the operating system running on the workstation. G6 first migrated all of our workstations to the WIN XP operating system. The 5th Signal Command then provided a CD which included instructions to install the CAC reader, the new Microsoft buttons for signing and encrypting the mail, and registering the certificates online. Test runs showed that the XP operating system disabled the CAC whenever the user changed their password. This problem was researched and a solution was developed. As of this date 95% of the user's within the USANATO are now PKI enabled.

5. DCS G8 budget analysts reviewed and promptly reconciled monthly billing statements, demonstrating knowledge of, and adherence to, regulations governing the GPC Program. They reviewed EAGLS transaction history reports to verify GTCs were being used appropriately and identify misuse at the earliest possible time and preclude GTC delinquency issues. The AFNORTH Bn managed to maintain the delinquency rate at less than 1% in the last 19 months.

6. USANATO staff proponents developed checklists when management control checklists were not included in governing regulations or the checklists were not applicable to the command's mission. The "Army Training and Education" and "Physical Security Program" functions were evaluated even though they were not included on the HQDA Checklist Inventory.

7. The command previously incorporated MCP checklists into CIP checklists. Currently, the command is cross-walking MCP and CIP checklists to ensure full integration of questions and account for the latest HQDA updates to governing regulations.

**TAB A-3**  
**MANAGEMENT CONTROL PROGRAM AND**  
**RELATED ACCOMPLISHMENTS**

## USANATO Management Control Process Website

### Description of the Issue:

- USANATO needed more flexibility in centralizing MCP tools to enhance program execution. The HQ USANATO MCA and webmaster redesigned the command website to improve its functionality and utilization.

### Accomplishments:

<ul style="list-style-type: none"><li>• Website redesign permitted accommodation of broader spectrum of MCP topics/materials.</li></ul>
<ul style="list-style-type: none"><li>• Redesigned command website serves as a one-stop resource to meet MCP needs and to assist USANATO AUs implement their programs.</li></ul>
<ul style="list-style-type: none"><li>• Our command's MCP website and USANATO MCA's Tool Box will start playing a more significant role in the near future as the command shifts its training efforts from direct instruction by the HQ USANATO MCA to using more cost effective computer web-based tools.</li></ul>
<ul style="list-style-type: none"><li>• Resources/tools added to the command website:<ul style="list-style-type: none"><li>▪ Web-based training modules</li><li>▪ Case studies</li><li>▪ Windows Media Videos ("Roadmap to Stewardship" and "Age of Accountability")</li><li>▪ Army MCA's Tool Box</li><li>▪ Apprentice Tool Box</li><li>▪ HQ USANATO MCA's Tool Box</li><li>▪ HQDA Administrator's Handbook</li></ul></li></ul>
<ul style="list-style-type: none"><li>• Added on-line certification to the following training resources:<ul style="list-style-type: none"><li>▪ HQ USANATO Circular 11-2</li><li>▪ "MCP 101" Training Guide</li><li>▪ Two command briefs</li><li>▪ GAO Standards</li><li>▪ Management Control Process</li><li>▪ Becoming a Management Control Administrator</li><li>▪ Conducting Evaluations</li><li>▪ Writing a Material Weakness</li><li>▪ Developing a Management Control Plan</li></ul></li></ul>
<ul style="list-style-type: none"><li>• Coordinated access and posted the Department of Navy's MCP Self-Assessment Survey Tool to the command's website. This tool will provide USANATO commanders/managers an objective "current state" measurement of their MCP and determine what improvements are needed.</li></ul>
<ul style="list-style-type: none"><li>• Coordinated access and posted on command's website the Department of Navy's Statement of Assurance Tool. This tool will assist USANATO commanders/managers enhance the ASA reporting process. It will enable them to add weaknesses, whether material or not, throughout the year, and provide historical ASA data from previous fiscal years.</li></ul>
<ul style="list-style-type: none"><li>• Command website provides links to ASA (FM&amp;C), USAAA, USAREUR, GAO, DoD, DoD IG, IR, ARRTC, ASN (FM&amp;C), and USAPA.</li></ul>

- |   |
|---|
| <ul style="list-style-type: none"><li>• The website provides regulatory framework, standard and automated training and briefing materials, HQDA guidance, USANATO directives, command Five-Year Plan, HQDA Checklist Inventory, command-developed checklists, videos, articles, tools, case studies, MCA's Tool Boxes, Apprentice Tool Box, links to other websites, and other useful MCP information</li></ul> |
| <ul style="list-style-type: none"><li>• It will accommodate interactive training modules in the future.</li></ul>   |

## **USANATO Management Control Process Web-Based Training**

### **Description of the Issue:**

USANATO needed more flexibility in administering MCP training. At present, use of Computer-Based training tools are the most efficient and cost effective means of training, and is indispensable due to continuing budget constraints.

### **Accomplishments:**

<ul style="list-style-type: none"><li>• Multimedia Computer-Based Training with on-line certification capabilities provides possibility to target specific individuals or groups.</li></ul>
<ul style="list-style-type: none"><li>• Multimedia Computer-Based Training with on-line certification capabilities provides more efficient and cost effective training methods – saving command resources (TDY funds and time away from office).</li></ul>
<ul style="list-style-type: none"><li>• Web-based modules with on-line certification capability enable HQ USANATO MCA to receive notification of completed training and thus to track progress of training.</li></ul>
<ul style="list-style-type: none"><li>• In addition to providing on-going guidance during compilation of FY04 submission, the HQ USANATO MCA was able to train other MCAs and evaluators with “Age of Accountability – Testing Controls” Windows Media Video to ensure correctly submitted FY04 input.</li></ul>
<ul style="list-style-type: none"><li>• Web-based training media provided training accessibility to large, varied, audiences that included as MCAs, evaluators, and managers.</li></ul>
<ul style="list-style-type: none"><li>• Publicized use of automated resources to strengthen the effectiveness of the MCP program at geographically separated AUs.</li></ul>
<ul style="list-style-type: none"><li>• The newly assigned HQ USANATO SRO elected the Army MCP web-based module as the preferred method of training, rather than the more time consuming methods which require planning and coordination of schedules</li></ul>



## HQ USANATO MCA's Management Control Process Tool Box

### Description of the Issue:

- The HQ USANATO MCA created a continuity tool needed for reference not only by frequently rotating MCAs but also by AUMs and management personnel. The Tool Box is based on a template jointly developed by the MCPSG and ARRTC.

### Accomplishments:

<ul style="list-style-type: none"> <li>• The Tool Box includes all resources necessary for executing a successful MCP program within USANATO command. It allows storing all documents in one organized system and in one place.</li> </ul>
<ul style="list-style-type: none"> <li>• It is a collection of USANATO command's current and historical files.</li> </ul>
<ul style="list-style-type: none"> <li>• It provides a variety of real-life examples and documents developed by other MACOMs' MCAs (including two resources developed by USANATO MCA) for modification and/or use in execution of an MCA's own program.</li> </ul>
<ul style="list-style-type: none"> <li>• The Tool Box provides specific templates, examples, and samples of required documentation.</li> </ul>
<ul style="list-style-type: none"> <li>• The Tool Box CD-Rom serves as a one-stop portable resource to meet MCP needs and to assist USANATO MCAs in successful execution of their local programs.</li> </ul>
<ul style="list-style-type: none"> <li>• The USANATO MCA's Tool Box CD-Rom with automated training modules will be utilized more frequently as the command shifts training efforts from direct instruction by the HQ USANATO MCA in the outlying AUs to using more cost effective methods.</li> </ul>
<ul style="list-style-type: none"> <li>• HQ USANATO MCA's Tool Box content:                             <ul style="list-style-type: none"> <li>▪ Army MCA's Tool Box</li> <li>▪ Regulatory framework, USANATO directives</li> <li>▪ Historical command ASAs' submission files</li> <li>▪ Current and previous fiscal years policies/appointment memoranda</li> <li>▪ HQDA/USANATO guidance</li> <li>▪ A variety of training resources</li> <li>▪ USAAA Assessments</li> <li>▪ Links to other MCP sites</li> <li>▪ Windows Media Videos</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• It gives MCAs/AUMs an opportunity to select an appropriate and convenient training method.</li> </ul>
<ul style="list-style-type: none"> <li>• It contains the Army self-narrated training modules for use by MCAs, or as a standard block of instruction in Quarterly Training Briefs or Sergeants' Time Training sessions.</li> </ul>
<ul style="list-style-type: none"> <li>• This tool reaches a wider audience in a more cost effective manner, providing a choice of training methods and saving the MCA's time. Standard Power Point presentations or multimedia Computer-Based Training modules are available.</li> </ul>
<ul style="list-style-type: none"> <li>• Time effective training methods –modules can be presented at a group sessions or listened to at an individual's convenience.</li> </ul>
<ul style="list-style-type: none"> <li>• The "USANATO MCA's Tool Box" was published on the command website.</li> </ul>
<ul style="list-style-type: none"> <li>• The Tool Box on CD-Rom was distributed to serve as a back-up in case of internet</li> </ul>

connectivity problems.

- Utilization of “USANATO MCA’s Tool Box” CD-Rom by current USANATO MCAs, AUMs, and managers can benefit military and civilian personnel in their future commands.

## **Successful Deployment of First USANATO Deployable Support Team (DST) to Kabul, Afghanistan**

### **Description of the Issue:**

- US personnel assigned to the NATO in support of the International Security Assistance Force (ISAF) operation in Kabul, Afghanistan, was in critical need of Army unit-level national support to provide personnel, administrative, logistical, individual training, and discipline functions. Between Aug and Nov 03 ISAF US personnel were regularly pulled from NATO billets to carry out national support requirements; NATO commanders began to object, and soldiers' morale suffered. After persistent efforts, USANATO received Joint Staff approval to establish support for US personnel deployed to ISAF, Kabul, Afghanistan, for as long as that mission exists.

### **Accomplishments:**

<ul style="list-style-type: none"><li>• To ensure the necessary support to NATO personnel in Kabul, Afghanistan, USANATO deployed a DST (consisting of a CPT, MSG, SFC, SSG) in Dec 03 to provide unit level support for USANATO personnel.</li></ul>
<ul style="list-style-type: none"><li>• DSTs successfully support Army personnel, and within legal parameters, sister services assigned to ISAF. To date, the Air Force and Navy have not deployed unit level support. (DSTs are untenable as a long-term solution to support to a multi-service ISAF deployment due to the inherent problems of Army personnel trying to support Air Force and Navy personnel without the legal basis, training or expertise. A Joint NSE in Kabul is the preferred long-term solution).</li></ul>
<ul style="list-style-type: none"><li>• Despite the initial challenges of the first rotation's deployment, current DSTs provide day-to-day support to include mail delivery, weapons repair, protective equipment re-supply, personnel administration support, ID card issue, awards, emergency leave, and LAN Network classified/unclassified system support to US personnel in isolated NATO billets</li></ul>
<ul style="list-style-type: none"><li>• Each DST comprised of US personnel assigned to USANATO, is required to undergo training and certification in operation of a self-contained element under austere conditions. A DST is not designed as permanent unit-level support unit.</li></ul>
<ul style="list-style-type: none"><li>• DSTs provide its personnel with reach-back services of Class I – IX supplies from USCENTCOM in Bagram. Due to the high threat level along the route, the DST is limited to one re-supply run each week (1½ hour-two vehicle convoy run from Bagram to Kabul).</li></ul>
<ul style="list-style-type: none"><li>• USANATO will begin its third DST 179-day rotation in August 2004.</li></ul>

## **Religious Support for Deployed USANATO Personnel**

### **Description of the Issue:**

- USANATO needed its Unit Ministry Team to provide ministry services to soldiers assigned to NATO positions and deploying on NATO operational missions. For the first time in the command's history the Unit Ministry Team was established for operations downrange and was able to provide the support listed below. The USANATO Command Chaplain concentrated on providing direct operational support of USANATO soldiers and their families. Both brigade and battalion chaplains were engaged in direct combat support operations, ministering to soldiers in the field, allowing IMA-E chaplains to conduct community program support.

### **Accomplishments:**

• Analyzed religious support requirements for international deployments.
• Provided religious support in conjunction with humanitarian aid.
• Supplied direct ministry and general ministry support in combat operations.
• Conducted CIPs to measure performance of religious support activities.
• Determined the religious preference of soldiers to ensure requisition of the proper ecumenical mix of clergy staff to meet denominational preferences.
• Provided casualty, memorial, and burial support services.
• Provided visitation of troops in the field and hospital environment.
• Provided pastoral care, counseling, and crisis intervention.
• Provided stress management – a critical instrument in deployed surroundings.
• Managed resources and funds of command master religious program.
• Performed rear support operations for deployment reintegration and reunion.
• Conducted family retreats upon return from deployment.
• Conducted Title X worship services both in garrison and in the field.
• Provided suicide prevention counseling.
• Family advocacy proponent.
• Provided on-call 24-hour operation both in garrison and in the field.

## **Installation of Fragmentation Film on U.S. Occupied Buildings on NATO Installation, SHAPE, Belgium**

### **Description of the Issue:**

- USANATO SHAPE is located on a NATO compound where Antiterrorism and Force Protection standards are sometimes different from those established by the US Army. The US installation commander does not have the authority to enforce US Army policies and standards on NATO facilities. The NATO installation commander's position is that improvements to facilities which house US personnel are a national responsibility. After continuing efforts to procure funds from the base operations support provider, the USANATO DCSENG was successful in obtaining funding for one of the Force Protection projects aimed at improving Antiterrorism and Force Protection on SHAPE.

### **Accomplishments:**

• 3M Fragmentation film provides US personnel on SHAPE with better protection against a bomb blast from a terrorist attack.
• 3M Fragmentation film inhibits glass from breaking into pieces and possibly injuring personnel in case of a terrorist bomb attack.
• 3M Fragmentation film was installed in 13 US-occupied buildings throughout SHAPE.
• 3M Fragmentation film will be installed in the two remaining US-occupied buildings after their renovation is complete.
• 3M Fragmentation Film has a ten-year warranty for internal film and two-year for external film.
• USANATO DCSENG convinced Installation Management Agency-Europe to include Antiterrorism and Force Protection requirements in their future project calls.